

XI. Community Reinvestment Act – Community Contacts

- Available development programs and resources;
- Current partnerships and/or development projects in the area; and
- The role of financial institutions in the assessment area(s).

Secondary information available includes completed questionnaires or surveys.

TIP: School boards can update census information by providing demographic information on the makeup of their student body. This information is typically collected annually.

Community-Based Development or Financial Intermediaries

The primary aim of these organizations is typically to increase the economic standard of low-income individuals or areas. Thus they tend to be involved in technical aspects of development such as residential and commercial real estate ventures or financing. Though these groups encourage representation of low-income individuals, they are also likely to have a higher degree of staff or decision-makers that live outside of low-income areas that the organization is serving.

Community-based development or financial intermediaries include the following types of organizations:

- Non-profit organizations such as Community Development Corporations (CDCs);
- Church-based economic development programs;
- Community loan funds;
- Small Business Investment Corporations (SBICs);
- Specialized Small Business Investment Corporations (SSBICs);
- Low-income housing organizations;
- Technical assistance providers;
- Low-income credit unions;
- Development institutions; and
- Micro-enterprise groups.

Available from these sources are the following types of information:

- Low-income credit;
- Service and community development issues at the neighborhood level;
- Quantitative information on housing values and actual real estate projects;
- Qualitative information on financial institutions and financial practices of low-income individuals;
- Technical details on financing and lending mechanisms for programs they offer; and

- Information on other government and program resources or ventures in the community.

Secondary information available includes:

- Feasibility studies;
- Appraisal information on specific neighborhoods;
- Local needs assessments;
- Surveys of institution's activities;
- Surveys of financial practices of low-income clientele; and
- Lending agreements by groups of local financial institutions.

Government Offices

Government offices include the following types of organizations:

- Local branches of Federal agencies, such as:
 - Department of Housing and Urban Development (HUD);
 - Small Business Administration (SBA);
 - Department of Commerce;
 - Economic Development Administration (EDA);
 - Farmers Home Administration (FmHA);
 - Bureau of Indian Affairs (BIA); and
 - U.S. Department of Agriculture (USDA).
- Local groups of federally funded or mandated programs, such as:
 - Community Action Agencies (CAAs);
 - Neighborhood revitalization programs; and
 - Office of Minority Business Enterprise (OMBE)'s business development centers.
- Local elected officials, such as:
 - Mayors;
 - Commissioners;
 - Tribal chiefs;
 - City council members; and
 - Tribal council members.
- State and local housing agencies or authorities
- Economic development agencies, such as:
 - Industrial and redevelopment agencies or authorities;
 - County or regional planning agencies;
 - Transportation agencies;
 - Utility companies;
 - Rural electric cooperatives;
 - Economic Development Corporations (EDCs);

- Local planning or economic development directors; and
- School board superintendent and officials.

Available from government offices are the following types of information:

- Loan, grant, guarantee or other programs available for use by institutions and housing, community, and economic development groups;
- Amount of funding available through such programs in the institution's assessment area(s);
- Extent to which local financial institutions participate in such programs and perspectives on barriers or issues related to their participation;
- Specific project opportunities in which institutions could participate; and
- Information on underserved neighborhoods or areas.

Secondary information available includes:

- Housing, small business, agriculture and general economic conditions and trends in the assessment area(s);
- Publicly sponsored comprehensive or general development and redevelopment plans and maps; and
- Other plans and studies, such as housing plans (for example, the Consolidated Plan), economic development plans and studies, and various community service needs in the assessment area(s).

Business and Labor Groups

Business and labor groups include the following types of organizations:

- Chambers of commerce;
- Downtown and neighborhood merchants associations;
- Small and minority business advocacy groups;
- Realtors;
- Minority and non-minority real estate agents;
- Local venture capital companies;
- SBA/college-supported Small Business Development Centers (SBDCs);
- Feed stores;
- Cattlemen's associations;
- Actual small business owners; and
- Small business technical assistance providers, such as business incubators and local union representatives.

Available from these sources are the following types of information:

- Data and perspectives on local business, economic conditions, recent economic activity and trends in the community;
- Nature and extent of small business activity, level of referrals from financial institutions to SBDCs;
- The existence of active SBA 504 programs, SBIC or SSBIC programs;
- Perspectives on financial institution efforts to provide financing and services to small businesses/small farms;
- The level of institution participation in other public/private programs for small business development and employment training; and
- Other private and public sources of financing available for small businesses and small farms in the assessment area(s).

Secondary information available includes mortgage interest rate sheets from financial institutions or mortgage companies obtained from realtors.

Civil Rights and Consumer Protection Groups

Civil rights and consumer protection groups include the following types of organizations:

- Open housing/fair housing organizations;
- Local chapters of the National Association for the Advancement of Colored People (NAACP), Urban League, Urban Coalition, and National Organization for Women;
- Legal aid/legal services offices;
- Human relations commissions;
- State attorney general; and
- Consumer protection office.

Available from these sources are the following types of information:

- Credit needs;
- Issues or priorities for any protected classes;
- Complaints against specific financial institutions; and
- General perspectives on financial institutions in the assessment area(s).

Secondary information available includes studies using testers in financial institutions, formal complaints or case write ups.

Other Potential Contacts

The following types of organizations can also provide information:

- Universities;
- Research institutions;

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- Foundations; and
- Hospitals or hospital extension programs.

The types of information available from these sources are many and varied. Specific community projects by universities or hospitals may be involved.

Secondary information available includes:

- Demographic and economic data;
- Independent research studies or reports on community development topics;
- Studies and data collection on development and economic trends or opportunities in the area; and
- Automated “Conplans” may also be available.

Conducting the Interview

Having determined the groups and/or individuals to be contacted and the information to be solicited from each interview, the examiner must then plan the structure and content of questions prior to the interview. This section provides a sample list of questions that the examiner may wish to consider. The examiner should select and tailor questions from the list of sample questions that would be the most effective for each specific contact.

The questions highlight the type of information that the examiner is seeking through the community contact process. They are meant to serve as a guide to assist the examiner in planning the substance and structure of the interview. Obviously, not all questions will be appropriate to each specific contact. The list is not all inclusive; particular questions may generate significant discussions and examiners are expected to probe and conduct follow-up questions appropriately. Examiners are encouraged to review the entire list before structuring their interview. As examiners gain experience, they are encouraged to engage in discussion with the community contact and not undertake a “question and answer” format.

Background Information on Community Contact

Obtain Background Information

General:

1. The examiner should ascertain the organization’s area of expertise and the role that it plays in the community. The following questions apply.
 - What geographic areas does the organization serve?
 - How old is the organization? How was it started? How much involvement by local residents and/or low-income residents was there initially?
 - Who does the organization represent? Roughly what percentage of your client base is very low- (defined as

25-50% of median area income), low-, moderate- or middle-income?

- What is the mission and the primary goals of this organization? What are the goals for this year?
- Is there a Board of Directors? What is the representation on the Board? Are there low-income neighborhood residents on the Board? Are banks/lenders or other financial institutions on the Board?
- What projects or programs are you currently working on? Aside from programs are there other means in which the mission is carried out?
- How many “clients” does this organization serve on a monthly or annual basis? If the organization is involved in development, how many real estate projects have been completed in the organization’s history? How many are on-going?
- If direct loans have been provided through any programs, what type of loans are they? What segments of the community have benefited from these loans (low-, very low-, moderate-income, elderly, etc.)? What is the number and dollar volume of loans generated?
- What are the amounts and sources of the organization’s funding? How is the funding disbursed (for example, what activities does it fund and how much of the budget is devoted to each activity)?
- Could you list the organization’s major accomplishments in the past 5 years? Is there such a list that you may have for purposes of your funders or funding proposals that I may have a copy of?
- What are some of the limits the organization is facing in serving its community? In what areas is it currently encountering opportunity?
- Is the organization interested in expanding its program or project areas at this time? In what area? Is there a time-line in place to implement these activities or expected to be in place?

Specific to economic development agencies (including utility companies):

- Are there empowerment zones (EZs), enterprise communities (ECs), or Foreign Trade Zones (FTZs) in your area? Where? What types of monetary incentives are offered?
- What are examples of small business, small farm, and community-based development that the agency has been involved in? Has activity been concentrated in a few areas? Which ones?
- Does the economic development agency also coordinate the housing program and monies for this jurisdiction? If not, is economic development coordinated with housing officials? What priority is accorded to affordable